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March 28, 2011

**By Electronic and Overnight Mail**

Honorable Robert E. Gerber  
United States Bankruptcy Court  
Southern District of New York  
One Bowling Green, Courtroom 621  
New York, New York 10004-5660

Re: *In re Motors Liquidation Company*,  
Case No. 09-50026

Dear Judge Gerber:

We understand from the debtors that they have included as an agenda matter for Tuesday, March 29, 2011, further argument and hearing on the exculpation/third party release clauses contained in the proposed confirmation order. New York respectfully submits that there is no necessity for further hearing on this issue. Moreover, there is clearly no reason or justification for the debtors to file anything further on the issue with the Court and New York strongly opposes any such filing. The court has considered and ruled on our prior objection and the debtors' response (see March 7, 2011 Bench Decision, p. 31-34). We respectfully submit that at this point, the Court is able to rule on what the confirmation order should say - or not say - regarding exculpation, without further filings or argument by the parties. New York and the debtors simply differ on the import of the Court's Bench Decision with respect to (1) the meaning of the *Metromedia*, *Chemtura*, *DBSD* and *Adelphia* cases, and (2) what the confirmation order may say specifically about exculpation and third party releases in this case.

On Wednesday, March 23, we made a good faith effort to resolve with counsel for the debtors our view of the confirmation order's continuing violation of well-settled case law, and we expressed our willingness to continue a dialogue to resolve our differences. Counsel declined our suggestion to propose language for the confirmation order that would be consistent with this Court's ruling, or to continue a dialogue with New York. Instead, counsel threatened the now-scheduled hearing. On Friday, March 25, we received the Notice of Matters Scheduled for Hearing on Tuesday, March 29, 2011, in which the debtors indicate an intention to file a "response" on Monday, March 28. We immediately advised the debtors by email of our position that no further hearing, argument, or submittals on the exculpation clause is necessary. We

requested that the debtors instead give the Court the opportunity to rule by revising or not revising the confirmation order. The debtors responded that they intend to have a hearing.

Although I will be attending the scheduled hearing on Tuesday, March 29, New York strongly opposes any further filings by the debtors or the necessity for the Court to expend further time dealing with an issue on which it has already ruled. Any additional filing would allow the debtors to improperly reargue their position and raise new matters after the Court has already ruled on the question. Should the Court accept and consider any further filing by the debtors, however, we respectfully request the opportunity to respond, if appropriate. Thank you.

Respectfully submitted,

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